

Mid-Coast Corridor Transit Project



Estimating & Bidding on MCTC Construction Contracts - Training Session

April 28, 2015



Welcome and Introductions

- Presenter
 - John H. Johnson, Owner
Construction Management Systems & Inspections
 - ✓ 30 Years of Construction Experience
 - ✓ Federal, State and Local Government Projects
 - ✓ **Currently the Subcontractor Liaison – Mid-Coast Project**
- Introduction of MCTC Team Representatives
- Introduction of SANDAG Representative
- Introduction of Contractors

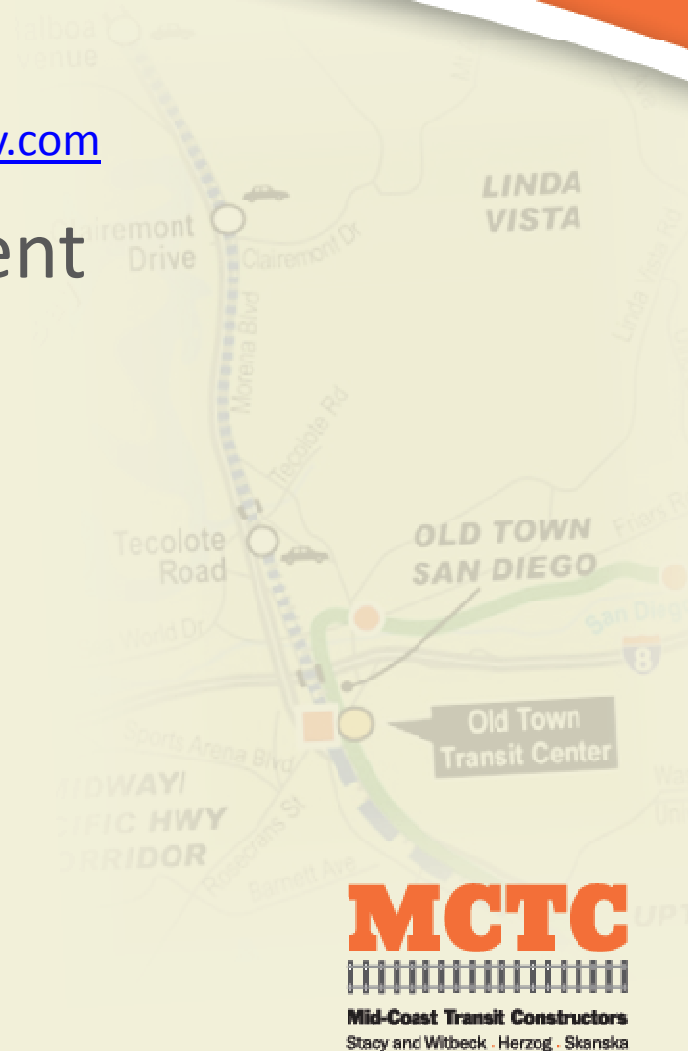


Presentation Outline

- How to better connect with prime bidders
- The basics of estimating and bidding
- How to calculate prevailing wage rates & labor burden
- Scopes of work unique to this project
- How to keep takeoffs and calculations simple & accurate
- How to deal with distractions during the estimating process
- How to maximize gross profits
- The bid proposal: simple, clear, complete & accurate
- Techniques for estimating change orders in a timely manner
- Project Overview
- Closing discussion, Q & A and evaluation survey

How to Better Connect With Prime Bidders

- Register on Planet Bids www.mctciv.com
- Attend “Meet The Primes” event
- Be proactive



The Basics of Estimating and Bidding

- Are bidder conferences and site visits important? YES
 - Especially if site clearing and/or demo is involved
 - Able to listen to questions and answers from other contractors
 - Meet prime contractors if you are bidding as a sub
- Perform the same comfortable routine for every bid
 - A comfortable routine gives you a mental checklist
 - Save time & cost spent for bids that you do not win
- Common pitfalls in estimating
 - Not spending quality time (rushing too much and missing items)
 - Not reading the general & supplemental conditions carefully
 - Not asking sufficient questions before submitting final bid

The Benefits of Spreadsheets and estimating software

- What is your level of computer literacy?
- What software are you using, now?
- Popular estimating software
 - PlanSwift: www.planswift.com (888) 752-6794 [View Video](#)
 - Sage Est. Software: www.sage.com (800) 628-8226
 - Search online for software for specialty trades (elect, plmb., etc.)
- Estimating software & computers are just tools
 - Do NOT rely totally on a computer - GIGO



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Prevailing Wage & Labor Burden

- Prevailing wage rate – Laborer Eng. construction (San Diego)

- Base rate (Group 1) \$28.69
- Increase effective July 1, 2015* \$ 1.50
- Fringe Benefits \$18.47

TOTAL BASE RATE

\$48.66

(Review State Wage Determinations) [Click Here](#)

- Taxes on wages (FICA, SUI, ETT, FUTA) @ 35% \$17.03
- Workman's Comp. = \$\$\$\$ per \$100
(Example only: Laborer = \$8 per \$100) \$ 3.89
- Total Laborer's Rate for Bidding \$69.58

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Scopes of Work Unique to This Project

- System overhead electrical as 2nd tier
- Lots of trucking opportunities
- Elevated track system
- Bridges (steel & conc.) demo & new
- Cathodic protection – rust prevention
- Station accessories
- 20 megatons of steel & rebar
- Concrete – various scopes
- Traffic control
- MSE concrete panel systems (Mechanical Stabilized Earth)
- Landscaping
- Tree removal (approx. 1,600)
- Quality control
- CMU
- Fencing – various types
- Handrails & guardrails
- Exterior lighting
- Platform electrical
- Parking structure as 2nd tier
- Traffic signals
- Coatings
- Signage
- Parking lots & striping
- Cast in place concrete walls
- Curb & gutters

Simple and Accurate Takeoffs and Calculations

- Organization and documentation
 - Being organized helps create a comfortable routine
 - Whether iPad, iPhone or paper, write down notes & questions
- Digital plans and specifications vs paper
 - Digital plans are usually 11 X 17 size
 - Scale must be manually set for estimating software
 - Adjustments need to be made for manual takeoffs
- Plans and specifications are never perfect
 - The bidder is totally responsible for obtaining clarifications
 - The bidder pays for all misassumptions
 - Never bid now and ask questions later
 - Everything is not boilerplate

Simple and Accurate Takeoffs and Calculations

- Keeping accurate history is very important
 - Keep the good, bad and the ugly from previous bids
 - Maintain bid analysis for each bid (who submitted bids & amounts)
 - Know your major competitors (esp. low ballers)
 - The more history the better (esp. time standards)
 - Keep history organized for easy & swift access
- Lump sum, unit pricing, gen. cond., T&M, +/--alternate
 - All of the above could be included in the same bid package
 - Lump sum bids = the sum of all its parts
 - Unit pricing (labor X hrs.) + (material & equip. X count & equip. hrs.)
 - ✓ Single unit price w/production incentives incl. labor, mat'l., O&P, etc.



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Simple and Accurate Takeoffs and Calculations

- Unit pricing (labor X hrs.) + (material & equip. X count & equip. hrs.)
 - ✓ Labor rates are simple but measuring time is risky – “Got History?”
 - ✓ Key supplier relationships are important – Pricing History
 - ✓ In some cases renting equipment may be better than owning
- General condition estimates
 - ✓ All indirect costs (mob & de-mob, supervision, equip., etc.)
 - ✓ Easy to over/under bid
- Time and material rates
 - ✓ This method usually applies to change orders (sometimes +/- alternates)
- Alternates (add-ons and/or deductions)
 - ✓ Pain in the neck but must be taken seriously
 - ✓ Could be a real factor in lowest bid situations
 - ✓ Bid will be considered nonresponsive if omitted

Simple and Accurate Takeoffs and Calculations

- Field production – means and methods
 - How well do you know your crew? “Got History?”
 - Risky to keep changing prod. Means & methods at bid time
 - ✓ Find what works, perfect it and stick with it
 - ✓ Explore creative incentives that could make crew work faster & save time
 - Cost controls
- Are contingencies really necessary?
 - YES, if you DO NOT take estimating seriously
 - NO, if you bid a lot of jobs & keep accurate history



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Dealing With Distractions

- Owner/Estimator wearing too many different hats
 - Learn to be a productive multi-tasker
 - Estimating is an investment into your business
- Starting, stopping, coming back and remembering
 - Begin at step one and maintain a comfortable routine
 - Write key notes at every stopping point
 - Come back and review notes and costs up to last point
 - Do NOT rely on mental memory (keep updated notes)



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How To Maximize Gross Profits

- Know your numbers: overhead, dir. cost, GP and NP
 - Updated & accurate accounting records are very important
 - Knowing that overhead is low could keep bids low
 - A good job cost accounting system is important for history
 - Knowing actual gross profits can help with future bids
 - Knowing actual net profits helps with cashflow adjustments
- Know your niche (projects easy to bid w/high GP)
- Should I be competitive or profitable?
 - Do I have to choose between the two?
 - How can I remain competitive & be profitable?

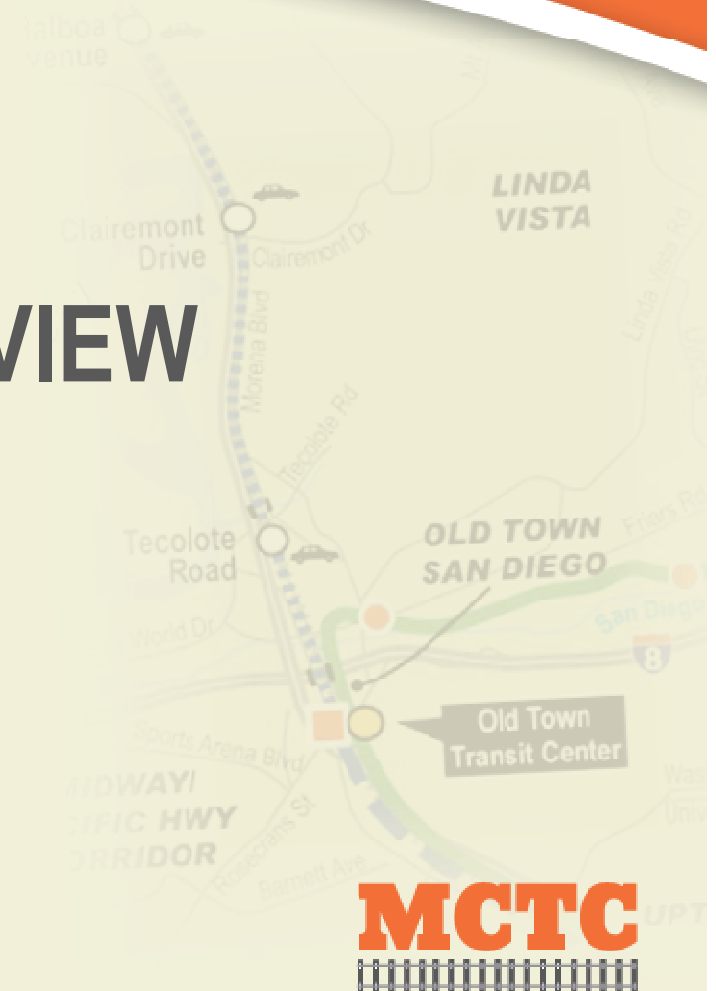
The Bid Proposal

- Keep it simple
- Clear understanding
 - What is included
 - What is NOT included
 - Include ALL requested information
 - Check it and double check before submitting
- Prime bidders
 - Planet Bids (paper & electronic bidding) [Visit Website](#)
- Non-prime bidders
 - Know who the actual prime bidders are & be proactive
 - Build relationships with prime bidders
- Best value vs. lowest bidder

Estimating Change Orders

- Can lose money if not timely
- Starts with a properly written RFC (Request For Clarification)
 - Don't wait until the task starts to ask questions
 - Plan 3-4 weeks ahead of critical path tasks
 - Build a good working relationship with proj. mgr. or superintendent
 - Maintain a RFC log
- The change order RFP (Request For Proposal)
 - Make sure you clearly understand what RFP is asking for
 - Be flexible but still make a profit on each change order
 - Maintain a change order log
- Negotiate terms & conditions for disputed C. O.
 - Disputed change orders will be paid if handled properly
 - Avoid Liquidated damages

PROJECT OVERVIEW



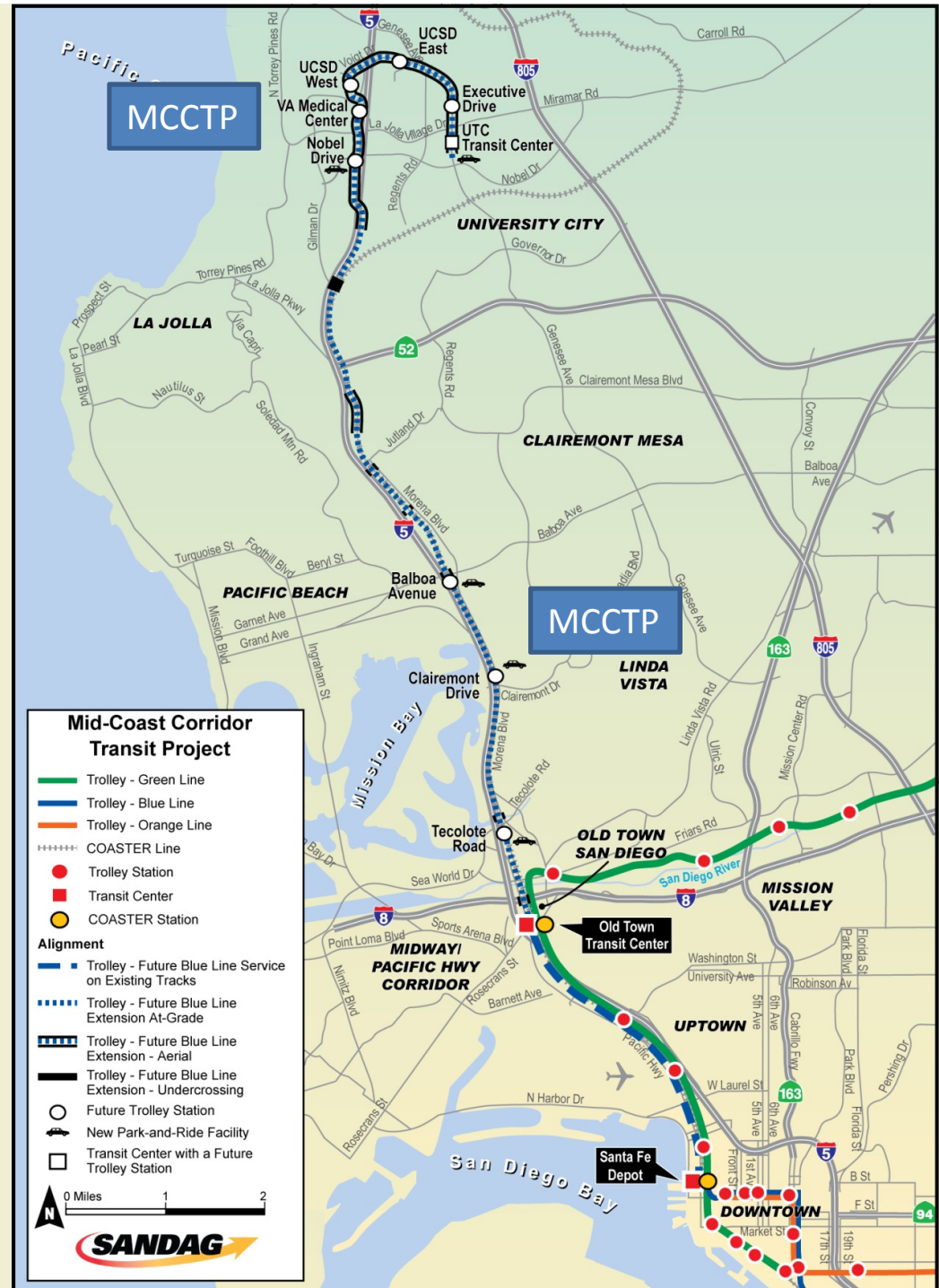
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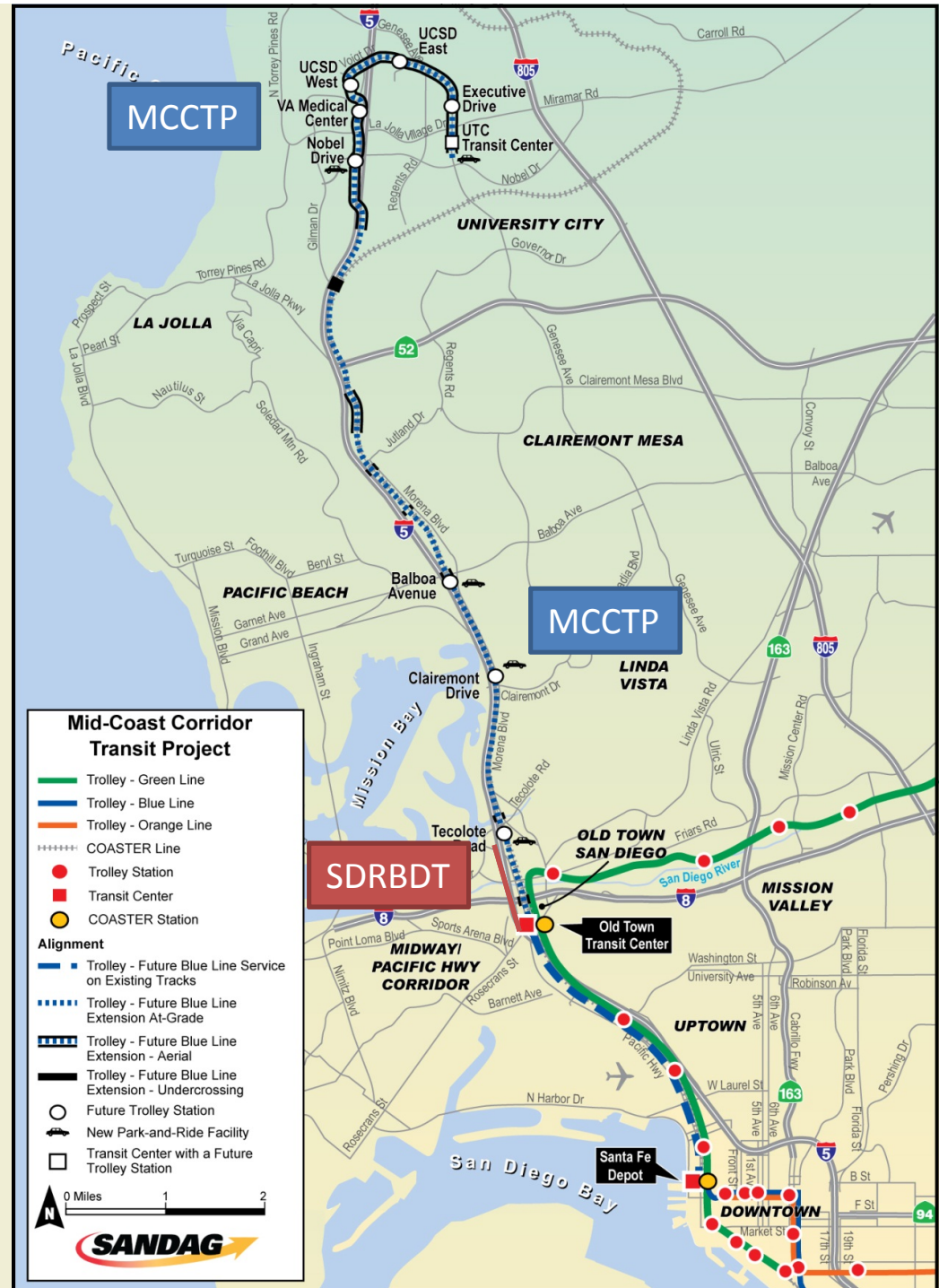
Mid-Coast Corridor Transit Project

- Extension of Trolley Blue Line from Downtown to UTC Transit Center
- 10.9 miles of new LRT tracks
- 9 LRT Stations
- 3 miles of LRT fall within or adjacent to Caltrans R/W
- Two I-5 Crossings



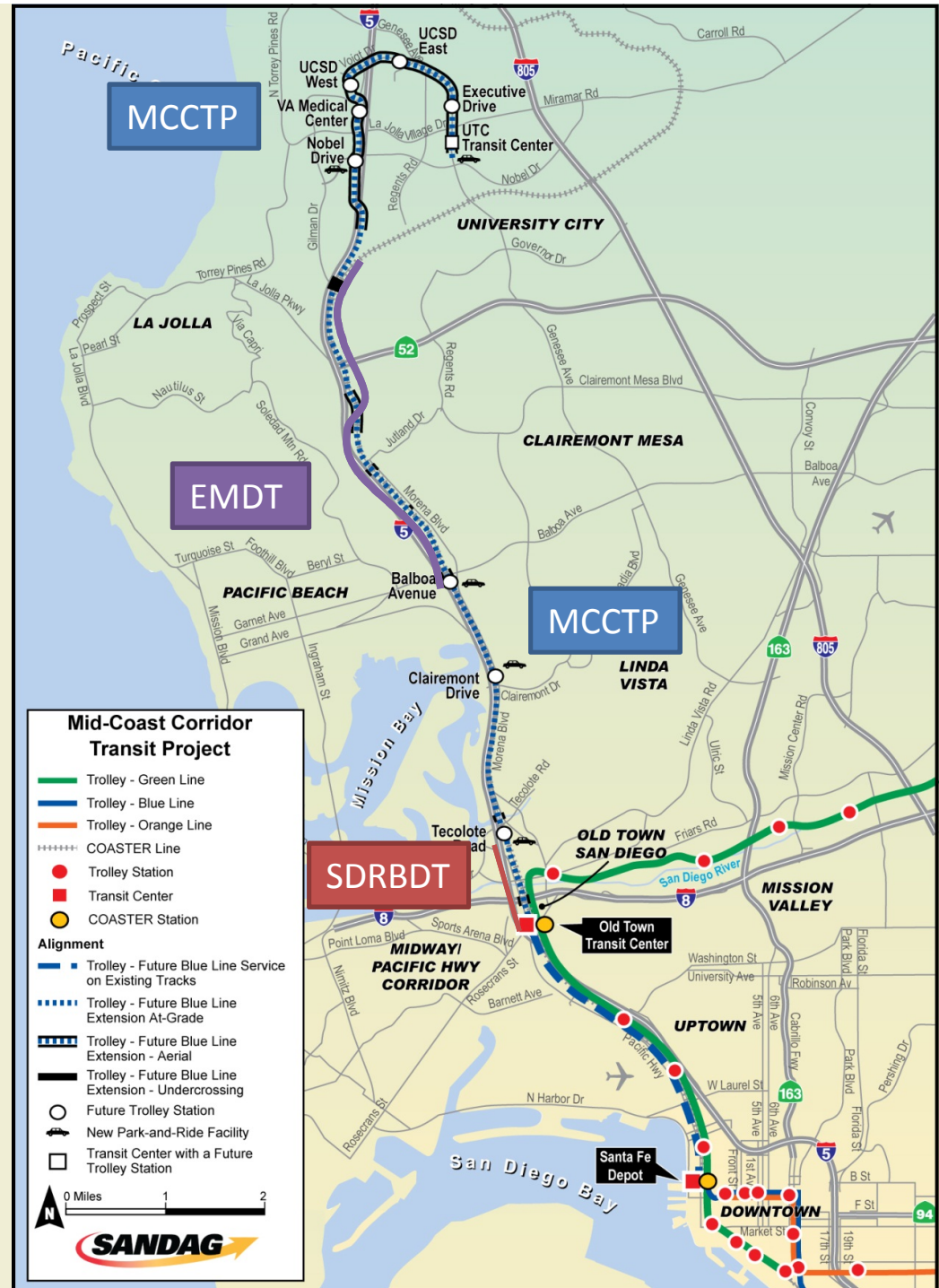
San Diego River Bridge Double Track

- Double Track Heavy Rail Bridge over San Diego River
- 1 mile of new double track
- Project is within existing MTS R/W and crosses under I-8



Elvira to Morena Double Track

- Double Track Heavy Rail extension over Balboa Ave and Under SR52
- 3 miles of new tracks
- Project is within existing MTS R/W



Closing Discussions

- Questions & Answers
- Evaluation Survey

Visit MCTC's website regularly @

www.mctcjr.com

and stay updated

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